

110TH CONGRESS
2D SESSION

H. R. 6999

To restructure the Coast Guard Integrated Deepwater Program, and for
other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 23, 2008

Mr. CUMMINGS (for himself, Mr. OBERSTAR, Mr. BISHOP of New York, and
Mr. THOMPSON of Mississippi) introduced the following bill; which was
referred to the Committee on Transportation and Infrastructure

A BILL

To restructure the Coast Guard Integrated Deepwater
Program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Integrated Deepwater
5 Program Reform Act of 2008”.

6 **SEC. 2. PROCUREMENT STRUCTURE.**

7 (a) IN GENERAL.—

8 (1) USE OF LEAD SYSTEMS INTEGRATOR.—Ex-
9 cept as provided in subsection (b), the Secretary
10 may not use a private sector entity as a lead systems

1 integrator for acquisitions under, or in support of,
2 the Integrated Deepwater Program after the end of
3 the 90-day period beginning on the date of enact-
4 ment of this Act.

5 (2) FULL AND OPEN COMPETITION.—The Sec-
6 retary and the lead systems integrator for the Inte-
7 grated Deepwater Program shall utilize full and
8 open competition for any acquisition for which an
9 outside contractor is used under, or in support of,
10 the Integrated Deepwater Program after the date of
11 enactment of this Act, unless otherwise excepted in
12 accordance with the Competition in Contracting Act
13 of 1984 and the Federal Acquisition Regulation.

14 (b) EXCEPTIONS.—

15 (1) COMPLETION OF ACQUISITIONS BY LEAD
16 SYSTEMS INTEGRATOR.—Notwithstanding subsection
17 (a), the Secretary may use a private sector entity as
18 a lead systems integrator for the Coast Guard—

19 (A) to complete any delivery order or task
20 order that was issued to the lead systems inte-
21 grator on or before the date that is 90 days
22 after the date of enactment of this Act without
23 any change in the quantity of assets or the spe-
24 cific type of assets covered by the order;

1 (B) for acquisitions after the date that is
2 90 days after the date of enactment of this Act
3 of, or in support of, the HC-130J aircraft, the
4 HH-65 aircraft, and the C4ISR system if the
5 requirements of subsection (c) are met with re-
6 spect to such acquisitions;

7 (C) for acquisitions after the date that is
8 90 days after the date of enactment of this Act
9 of, or in support of, National Security Cutters
10 or Maritime Patrol Aircraft under contract or
11 order for construction as of the date that is 90
12 days after the date of enactment of this Act, if
13 the requirements of subsection (c) are met with
14 respect to such acquisitions; and

15 (D) for the acquisition, or in support, of
16 additional National Security Cutters or Mari-
17 time Patrol Aircraft if the Secretary determines
18 that—

19 (i) the acquisition is in accordance
20 with the Competition in Contracting Act of
21 1984 and the Federal Acquisition Regula-
22 tion;

23 (ii) the acquisition and the use of a
24 private sector entity as a lead systems inte-

grator for the acquisition is in the best interest of the Federal Government; and

(iii) the requirements of subsection (c) are met with respect to such acquisition.

(2) AWARDS TO TIER 1 SUBCONTRACTORS.—

The Secretary may award to any Tier 1 subcontractor or subcontractor below the Tier 1 level any acquisition that the Secretary could award to a lead systems integrator under paragraph (1).

(3) REPORT ON DECISION-MAKING PROCESS.—

If the Secretary determines under paragraph (1)(B), (1)(C), or (1)(D) that the Coast Guard will use a private sector lead systems integrator for an acquisition, the Secretary shall notify in writing the appropriate congressional committees of the Secretary's determination and shall provide a detailed rationale for the determination, at least 30 days before the award of a contract, delivery order, or task order using a private sector lead systems integrator, including a comparison of the cost of the acquisition through the private sector lead systems integrator with the expected cost if the acquisition were awarded directly to the manufacturer or shipyard.

(c) LIMITATION ON LEAD SYSTEMS INTEGRATORS.—

Neither an entity performing lead systems integrator func-

1 tions for an acquisition under, or in support of, the Inte-
2 grated Deepwater Program, nor a Tier 1 subcontractor,
3 for any acquisition described in subsection (b)(1)(B),
4 (b)(1)(C), or (b)(1)(D) may have a financial interest in
5 a subcontractor below the tier 1 subcontractor level un-
6 less—

7 (1) the subcontractor was selected by the Sec-
8 retary through full and open competition for such
9 procurement;

10 (2) the procurement was awarded by the lead
11 systems integrator or a subcontractor through full
12 and open competition;

13 (3) the procurement was awarded by a subcon-
14 tractor through a process over which the lead sys-
15 tems integrator or a Tier 1 subcontractor exercised
16 no control; or

17 (4) the Secretary has determined that the pro-
18 curement was awarded in a manner consistent with
19 the Competition in Contracting Act of 1984 and the
20 Federal Acquisition Regulation.

21 (d) RULE OF CONSTRUCTION.—The limitation in
22 subsection (b)(1)(A) on the quantity and specific type of
23 assets to which subsection (b) applies shall not be con-
24 strued to apply to the modification of the number or type

1 of any subsystems or other components of a vessel or air-
2 craft described in subsection (b)(1)(B), (C), or (D).

3 (e) TERMINATION DATE FOR EXCEPTIONS.—Not-
4 withstanding subsection (b), the Secretary may not use a
5 private sector entity as a lead systems integrator for ac-
6 quisitions under, or in support of, the Integrated Deep-
7 water Program after the earlier of—

8 (1) September 30, 2011; or

9 (2) the date on which the Secretary certifies in
10 writing to the appropriate congressional committees
11 that the Coast Guard has available and can retain
12 sufficient contracting personnel and expertise within
13 the Coast Guard, through an arrangement with
14 other Federal agencies, or through contracts or
15 other arrangements with private sector entities, to
16 perform the functions and responsibilities of the lead
17 system integrator in an efficient and cost-effective
18 manner.

19 **SEC. 3. REQUIRED CONTRACT TERMS.**

20 (a) IN GENERAL.—The Secretary shall ensure that
21 any contract, delivery order, or task order for an acqui-
22 sition under, or in support of, the Integrated Deepwater
23 Program executed by the Secretary after the date of enact-
24 ment of this Act—

1 (1) provides that all certifications for Inte-
2 grated Deepwater Program procurements will be
3 conducted by the Secretary or an independent third
4 party, and that self-certification by the contractor or
5 subcontractor is not allowed;

6 (2) provides that the Commandant shall con-
7 duct a technical review of all proposed designs, de-
8 sign changes, and engineering changes and requires
9 that the contractor address all design and engineer-
10 ing concerns identified in the technical reviews;

11 (3) requires that the Commandant shall main-
12 tain the authority to establish, approve, and main-
13 tain technical requirements;

14 (4) requires that any measurement of con-
15 tractor and subcontractor performance be based on
16 the status of all work performed, including the ex-
17 tent to which the work performed met all cost,
18 schedule, and mission performance requirements;

19 (5) specifies that, for the acquisition or upgrade
20 of air, surface, or shore assets for which compliance
21 with TEMPEST certification is a requirement, the
22 standard for determining such compliance will be the
23 air, surface, or shore asset standard then used by
24 the Department of the Navy for that type of asset;
25 and

1 (6) for any contract issued to acquire an Off-
2 shore Patrol Cutter, includes provisions specifying
3 the service life, fatigue life, and days underway in
4 general Atlantic and North Pacific Sea conditions,
5 maximum range, and maximum speed the cutter will
6 be built to achieve.

7 (b) PROHIBITED CONTRACT PROVISIONS.—The Sec-
8 retary shall ensure that any contract, delivery order, or
9 task order for acquisition under, or in support of, the Inte-
10 grated Deepwater Program executed by the Secretary
11 after the date of enactment of this Act does not include—

12 (1) provisions that commit the Secretary with-
13 out express written approval by the Secretary; or

14 (2) any provision allowing for equitable adjust-
15 ment that differs from the Federal Acquisition Reg-
16 ulation.

17 (c) EXTENSION OF PROGRAM.—Any contract, con-
18 tract modification, or award term extending the existing
19 Integrated Deepwater Program contract term, as signed
20 in May 2006 and modified in June 2007—

21 (1) shall not include any minimum require-
22 ments for the purchase of a given or determinable
23 number of specific assets; and

24 (2) shall be reviewed by the Under Secretary of
25 Defense for Acquisition, Technology, and Logistics

1 through the Defense Acquisition University and the
2 results of that review shall be submitted to the ap-
3 propriate congressional committees at least 60 days
4 prior to the award of the contract, contract modi-
5 fication, or award term.

6 **SEC. 4. TESTING AND CERTIFICATION.**

7 (a) **EARLY OPERATIONAL ASSESSMENT.**—

8 (1) For any major asset type acquired for the
9 Coast Guard after the date of enactment of this Act
10 other than the National Security Cutter and the
11 Maritime Patrol Aircraft, the Secretary shall cause
12 an early operational assessment to be completed on
13 the design for that asset type.

14 (2) The early operational assessment shall be
15 conducted by an independent third party with rel-
16 evant expertise in conducting early operational as-
17 sessments on the asset type for which the assess-
18 ment is being performed or by the Coast Guard act-
19 ing in collaboration with an independent third party
20 with relevant expertise in conducting early oper-
21 ational assessments on the asset type for which the
22 assessment is being performed.

23 (3) The result of this assessment shall be sub-
24 mitted to the appropriate congressional committees

1 at least 90 days prior to the initiation of any con-
2 struction activity utilizing the proposed design.

3 (4) The Secretary shall also submit a report de-
4 scribing the steps taken to mitigate the risks identi-
5 fied by the early operational assessment conducted
6 under this section in the design on which construc-
7 tion is to begin at least 30 days prior to the initi-
8 ation of any construction utilizing the proposed de-
9 sign.

10 (b) ASSESSMENT OF OPERATIONAL CAPABILITY.—

11 (1) The Secretary shall cause the first in class
12 of a major asset acquisition of a cutter or an air-
13 craft by the Coast Guard to be subjected to an as-
14 sessment of operational capability conducted by an
15 independent third party with relevant expertise in
16 the asset type or by the Coast Guard in collabora-
17 tion with an independent third party with relevant
18 expertise in the asset type.

19 (2) The result of the assessment conducted
20 under this subsection shall be submitted to the ap-
21 propriate congressional committees at least 45 days
22 prior to acceptance of the asset.

23 (c) CUTTER CLASSIFICATION.—The Secretary shall
24 cause each cutter, other than a National Security Cutter,
25 acquired by the Coast Guard and delivered after the date

1 of enactment of this Act to be classed by the American
2 Bureau of Shipping, before acceptance of delivery.

3 (d) TEMPEST TESTING.—The Secretary shall cause
4 all electronics on all aircraft, surface, and shore assets
5 that require TEMPEST certification and that are deliv-
6 ered after the date of enactment of this Act to be tested
7 in accordance with TEMPEST standards and communica-
8 tion security (COMSEC) standards by an independent
9 third party that is authorized by the Federal Government
10 to perform such testing and certify that the asset meets
11 all applicable TEMPEST requirements.

12 (e) NATIONAL SECURITY CUTTER.—The Secretary
13 shall cause the design and construction of each National
14 Security Cutter, other than National Security Cutter 1
15 and 2, to be certified by an independent third party with
16 expertise in vessel design and construction certification.

17 (f) AIRCRAFT AIRWORTHINESS.—The Secretary shall
18 cause all aircraft and aircraft engines acquired by the
19 Coast Guard and delivered after the date of enactment
20 of this Act to be certified for airworthiness by an inde-
21 pendent third party with expertise in aircraft and aircraft
22 engine certification, before acceptance of delivery.

23 (g) CERTIFICATIONS.—

24 (1) After the date of enactment of this Act, a
25 contract, delivery order, or task order exceeding

1 \$10,000,000 for an acquisition under, or in support
2 of, the Coast Guard’s Integrated Deepwater Pro-
3 gram may not be executed by the Coast Guard until
4 the Secretary certifies that—

5 (A) appropriate market research has been
6 conducted prior to technology development to
7 reduce duplication of existing technology and
8 products;

9 (B) the technology has been demonstrated
10 to the maximum extent practicable in a relevant
11 environment;

12 (C) the technology demonstrates a high
13 likelihood of accomplishing its intended mission;

14 (D) funding is available to execute the con-
15 tract, delivery order, or task order; and

16 (E) the technology complies with all rel-
17 evant policies, regulations, and directives of the
18 Coast Guard.

19 (2) The Secretary shall transmit a copy of each
20 certification required under subsection (g) to the ap-
21 propriate congressional committees within 30 days
22 after the completion of the certification.

23 (h) LIMITATION.—Nothing in this section shall pre-
24 vent the Secretary from executing contracts or issuing de-
25 livery orders or task orders for research and development

1 or technology demonstrations under, or in support of, the
2 Integrated Deepwater Program.

3 **SEC. 5. NATIONAL SECURITY CUTTER.**

4 Not later than 90 days before the Coast Guard signs
5 any contract, delivery order, or task order to strengthen
6 the hull of either of National Security Cutter 1 or 2 to
7 resolve the structural design and performance issues iden-
8 tified in the Department of Homeland Security Inspector
9 General's report OIG-07-23 dated January 2007, the
10 Secretary shall submit to the appropriate congressional
11 committees all results of an assessment of the proposed
12 hull strengthening design conducted by the Coast Guard,
13 in conjunction with the Naval Surface Warfare Center,
14 Carderock Division, including—

15 (1) a description in detail of the extent to which
16 the hull strengthening measures to be implemented
17 on those cutters will enable the cutters to meet con-
18 tract and performance requirements;

19 (2) a cost benefit analysis of the proposed hull
20 strengthening measures for National Security Cut-
21 ters 1 and 2; and

22 (3) a description of any operational restrictions
23 that would have to be applied to either National Se-
24 curity Cutters 1 or 2 if the proposed hull strength-

1 ening measures were not implemented on either cut-
2 ter.

3 **SEC. 6. IMPROVEMENTS IN COAST GUARD MANAGEMENT.**

4 (a) INTEGRATED PRODUCT TEAMS.—Integrated
5 product teams, and all teams that oversee integrated prod-
6 uct teams, shall be chaired by officers, members, or em-
7 ployees of the Coast Guard.

8 (b) DEEPWATER TECHNICAL AUTHORITY.—The
9 Commandant shall maintain or designate the technical au-
10 thority to establish, approve, and maintain technical re-
11 quirements for the Integrated Deepwater Program. Any
12 such designation shall be given in writing and may not
13 be delegated to the authority of the Chief Acquisition Offi-
14 cer established by section 55 of title 14, United States
15 Code.

16 (c) ENSURING ADEQUATE PERSONNEL.—The Sec-
17 retary shall ensure that sufficient contracting officers,
18 contracting specialists, and technical and financial man-
19 agement specialists (including earned value experts) are
20 available to execute each contract issued under the Inte-
21 grated Deepwater Program.

22 (d) ACQUISITIONS WORKFORCE POLICY.—The Sec-
23 retary shall review all policies established for the Coast
24 Guard's acquisitions workforce to ensure that they are de-
25 signed to provide for the selection of the best qualified

1 individual for a position, consistent with other applicable
2 law, and promote the establishment and maintenance of
3 a balanced workforce in which women and members of ra-
4 cial and ethnic minority groups are appropriately rep-
5 resented in Government service.

6 (e) CAREER PATHS.—The Secretary shall ensure that
7 appropriate career paths for civilian and military per-
8 sonnel who wish to pursue careers in acquisitions are iden-
9 tified in terms of the education, training, experience, and
10 assignments necessary for career progression of civilians
11 and members of the Coast Guard to the most senior acqui-
12 sitions positions. The Secretary shall make available pub-
13 lished information on such career paths.

14 (f) BALANCED WORKFORCE POLICY.—In the devel-
15 opment of acquisition workforce policies with respect to
16 any civilian employees or applicants for employment, the
17 Secretary shall, consistent with the merit system prin-
18 ciples set out in paragraphs (1) and (2) of section 2301(b)
19 of title 5, United States Code, promote a balanced work-
20 force in which women and members of racial and ethnic
21 minority groups are appropriately represented in Govern-
22 ment service.

23 (g) GUIDANCE ON TENURE AND ACCOUNTABILITY OF
24 PROGRAM MANAGERS.—

1 (1) ISSUANCE OF GUIDANCE.—Not later than
2 one year after the date of the enactment of this Act,
3 the Secretary shall issue guidance for major systems
4 acquisition programs to address the qualifications,
5 resources, responsibilities, tenure, and accountability
6 of program managers for the management of major
7 systems acquisitions. The guidance issued pursuant
8 to this subsection shall address, at a minimum—

9 (A) the qualifications that shall be required
10 of program managers, including the number of
11 years of acquisitions experience and the profes-
12 sional training levels to be required of those ap-
13 pointed to program management positions;

14 (B) authorities available to the program
15 manager, including, to the extent appropriate,
16 the authority to object to the addition of new
17 program requirements that would be incon-
18 sistent with the parameters established for an
19 acquisitions program; and

20 (C) the extent to which a program man-
21 ager who initiates a new program will continue
22 in management of that program without inter-
23 ruption until the delivery of the first production
24 units of the program.

25 (2) STRATEGY.—

1 (A) IN GENERAL.—Not later than 18
2 months after the date of enactment of this Act,
3 the Secretary shall develop a comprehensive
4 strategy for enhancing the role of Coast Guard
5 program managers in developing and carrying
6 out acquisition programs.

7 (B) MATTERS TO BE ADDRESSED.—The
8 strategy required by this section shall address,
9 at a minimum—

10 (i) the creation of a specific career
11 path and career opportunities for program
12 managers, including the rotational assign-
13 ments that will be provided to program
14 managers;

15 (ii) the provision of enhanced training
16 and educational opportunities for program
17 managers;

18 (iii) the provision of mentoring sup-
19 port to current and future program man-
20 agers by experienced senior executives and
21 program managers within the Coast
22 Guard, including through rotational as-
23 signments to the Department of Defense;

24 (iv) the methods by which the Coast
25 Guard will collect and disseminate best

1 practices and lessons learned on systems
2 acquisitions to enhance program manage-
3 ment throughout the Coast Guard;

4 (v) the templates and tools that will
5 be used to support improved data gath-
6 ering and analysis for program manage-
7 ment and oversight purposes, including the
8 metrics that will be utilized to assess the
9 effectiveness of Coast Guard program
10 managers in managing systems acquisi-
11 tions efforts;

12 (vi) a description in detail of how the
13 Coast Guard will promote a balanced work-
14 force in which women and members of ra-
15 cial and ethnic minority groups are appro-
16 priately represented in Government service;
17 and

18 (vii) the methods by which the ac-
19 countability of program managers for the
20 results of acquisition programs will be in-
21 creased.

22 (3) REPORT BY COMPTROLLER GENERAL.—Not
23 later than 2 years after the date of enactment of
24 this Act, the Comptroller General shall submit to the
25 appropriate congressional committees a report on

1 the actions taken by the Secretary to implement the
2 requirements of this subsection, including the strate-
3 gies that are required to be developed by this sub-
4 section.

5 **SEC. 7. CHIEF ACQUISITION OFFICER.**

6 (a) IN GENERAL.—Chapter 3 of title 14, United
7 States Code, is amended by adding at the end the fol-
8 lowing:

9 **“§ 55. Chief Acquisition Officer**

10 “(a) ESTABLISHMENT OF AGENCY CHIEF ACQUI-
11 SITION OFFICER.—There shall be in the Coast Guard a
12 Chief Acquisitions Officer selected by the Commandant
13 who shall be a Rear Admiral or civilian from the Senior
14 Executive Service (career reserved) and who meets the
15 qualifications set forth under subsection (b). The Chief
16 Acquisitions Officer shall serve at the Assistant Com-
17 mandant level and have acquisition management as that
18 individual’s primary duty.

19 “(b) QUALIFICATIONS.—The Chief Acquisition Offi-
20 cer shall be a certified acquisition professional with a pro-
21 gram manager level III certification and must have at
22 least 10 years experience in an acquisition position.

23 “(c) AUTHORITY AND FUNCTIONS OF THE CHIEF AC-
24QUISITION OFFICER.—The functions of the Chief Acquisi-
25 tion Officer shall include—

1 “(1) monitoring the performance of programs
2 on the basis of applicable performance measure-
3 ments and advising the Commandant, through the
4 Vice Commandant of the Coast Guard, regarding
5 the appropriate business strategy to achieve the mis-
6 sions of the Coast Guard;

7 “(2) increasing the use of full and open com-
8 petition in the acquisition of property and services
9 by the Coast Guard by establishing policies, proce-
10 dures, and practices that ensure that the Coast
11 Guard receives a sufficient number of sealed bids or
12 competitive proposals from responsible sources to
13 fulfill the Government’s requirements, including per-
14 formance and delivery schedules, at the lowest cost
15 or best value considering the nature of the property
16 or service procured;

17 “(3) making acquisition decisions in concur-
18 rence with the technical authority of the Coast
19 Guard, as designated by the Commandant, and con-
20 sistent with all other applicable laws and decisions
21 establishing procedures within the Coast Guard;

22 “(4) ensuring the use of detailed performance
23 specifications in instances in which performance
24 based contracting is used;

1 “(5) making acquisition decisions consistent
2 with all applicable laws and decision making proce-
3 dures within the Coast Guard;

4 “(6) managing the direction of acquisition pol-
5 icy for the Coast Guard, including implementation of
6 the unique acquisition policies, regulations, and
7 standards of the Coast Guard;

8 “(7) developing and maintaining an acquisition
9 career management program in the Coast Guard to
10 ensure that there is an adequate professional work
11 force; and

12 “(8) as part of the strategic planning and per-
13 formance evaluation process required under section
14 306 of title 5 and sections 1105(a)(28), 1115, 1116,
15 10 and 9703 of title 31—

16 “(A) assessing the requirements estab-
17 lished for Coast Guard personnel regarding
18 knowledge and skill in acquisition resources and
19 management and the adequacy of such require-
20 ments for facilitating the achievement of the
21 performance goals established for acquisition
22 management;

23 “(B) in order to rectify any deficiency in
24 meeting such requirements, developing strate-

1 gies and specific plans for hiring, training, and
2 professional development; and

3 “(C) reporting to the Commandant,
4 through the Vice Commandant, on the progress
5 made in improving acquisition management ca-
6 pability.”.

7 (b) APPLICATION OF QUALIFICATION REQUIRE-
8 MENT.—Section 55(b) of title 46, United States Code, as
9 amended by this section, shall apply beginning October 1,
10 2011.

11 (c) CLERICAL AMENDMENT.—The table of sections
12 at the beginning of such chapter is amended by adding
13 at the end the following:

 “55. Chief Acquisition Officer.”.

14 (d) SPECIAL RATE SUPPLEMENTS.—

15 (1) REQUIREMENT TO ESTABLISH.—Not later
16 than 1 year after the date of enactment of this Act
17 and in accordance with part 9701.333 of title 5,
18 Code of Federal Regulations, the Secretary shall es-
19 tablish special rate supplements that provide higher
20 pay levels for employees necessary to carry out the
21 amendment made by this section.

22 (2) SUBJECT TO APPROPRIATIONS.—The re-
23 quirement under paragraph (1) is subject to the
24 availability of appropriations.

1 **SEC. 8. INTEGRATED DEEPWATER PROGRAM PLANS.**

2 (a) IN GENERAL.—

3 (1) REVISED INTEGRATED DEEPWATER PRO-
4 GRAM PLANS AND ACQUISITION PROGRAM.—The
5 Secretary shall—

6 (A) revise and update the Integrated Deep-
7 water Program’s project management plan
8 within 180 days after the date of enactment of
9 this Act, in accordance with the requirements of
10 subsection (d);

11 (B) issue new or updated acquisition plans
12 and acquisition program baselines for each
13 asset class under the Integrated Deepwater
14 Program, in accordance with the requirements
15 of subsection (e); and

16 (C) transmit copies thereof to the appro-
17 priate congressional committees.

18 (2) USE OF ALTERNATIVES ANALYSIS.—The
19 Secretary shall base the revisions and plans on the
20 February 2008 Integrated Deepwater System Alter-
21 natives Analysis prepared for the United States
22 Coast Guard by an independent consulting organiza-
23 tion.

24 (b) ALTERNATIVES ANALYSES.—

25 (1) IN GENERAL.—No acquisition of an experi-
26 mental, technically immature, or first-in-class major

1 asset may be made under the Integrated Deepwater
2 Program unless an alternatives analysis was con-
3 ducted for such asset during the concept and tech-
4 nology development phase. Such analyses shall be
5 conducted by a federally funded research and devel-
6 opment center, a qualified entity of the Department
7 of Defense, or a similar independent third party en-
8 tity that has appropriate acquisition expertise. Such
9 alternatives analyses shall include—

10 (A) an examination of capability, inter-
11 operability, and other advantages and disadvan-
12 tages;

13 (B) an evaluation of whether different
14 quantities of specific assets could meet the
15 Coast Guard's overall performance needs;

16 (C) a discussion of key assumptions and
17 variables, and sensitivity to changes in such as-
18 sumptions and variables;

19 (D) an assessment of technology risk and
20 maturity;

21 (E) an evaluation of relevant safety and
22 performance records;

23 (F) a calculation of costs, including life
24 cycle costs;

25 (G) a business case of viable alternatives;

1 (H) an examination of likely research and
2 development costs and the levels of uncertainty
3 associated with such estimated costs;

4 (I) an examination of likely production and
5 deployment costs and the levels of uncertainty
6 associated with such estimated costs;

7 (J) an examination of likely operating and
8 support costs and the levels of uncertainty asso-
9 ciated with such estimated costs;

10 (K) if they are likely to be significant, an
11 examination of likely disposal costs and the lev-
12 els of uncertainty associated with such esti-
13 mated costs;

14 (L) an analysis of the risks to production
15 cost, schedule, and life-cycle cost resulting from
16 the experimental, technically immature nature
17 of the systems under consideration; and

18 (M) such additional measures the Sec-
19 retary determines to be necessary for appro-
20 priate evaluation of the asset.

21 (c) FUTURE REVISIONS.—The Secretary shall—

22 (1) notify each of the appropriate congressional
23 committees whenever an alternatives analysis or re-
24 vision of an alternatives analysis under the Inte-

1 grated Deepwater Program are initiated under this
2 Act;

3 (2) transmit a copy of the Integrated Deep-
4 water Program's project management plan, acquisi-
5 tion plans, or acquisition program baselines to each
6 of the appropriate congressional committees when-
7 ever any such document is created or revised; and

8 (3) maintain a historical file containing, and
9 make available to each of the appropriate congres-
10 sional committees, upon request, copies of each
11 version of those documents as they are revised.

12 (d) PROJECT MANAGEMENT PLAN.—The revised
13 project management plan required by subsection (a)(1)
14 shall include the following:

15 (1) An analysis and risk assessment of the tech-
16 nology risks and level of maturity for major tech-
17 nologies used on all classes of asset acquisitions
18 under the Integrated Deepwater Program, including
19 the National Security Cutter, fast response cutter,
20 offshore patrol cutter, the vertical unmanned aerial
21 vehicle, maritime patrol aircraft, HC-130J aircraft,
22 and C4ISR systems.

23 (2) A description of how the Coast Guard plans
24 to utilize arrangements with the Department of De-
25 fense for support in contracting and management of

1 acquisitions under the Integrated Deepwater Pro-
2 gram and to seek opportunities to leverage off of
3 Department of Defense contracts, and contracts of
4 other appropriate agencies, to obtain the best pos-
5 sible price for Integrated Deepwater Program assets.

6 (3) A life-cycle cost estimate for the Integrated
7 Deepwater Program which shall include asset acqui-
8 sition and logistics support decisions and planned
9 operational tempo and locations.

10 (4) Any other information the Secretary deems
11 necessary.

12 (e) ACQUISITION PROGRAM BASELINE.—

13 (1) IN GENERAL.—The new acquisition pro-
14 gram baselines required by subsection (a)(1) shall
15 include—

16 (A) a plan for the acquisition, and the
17 schedule and costs for delivery of such acqui-
18 sitions;

19 (B) a lifecycle cost estimate that includes
20 asset acquisition and logistics support decisions
21 and planned operational tempo and locations;
22 and

23 (C) such other information as the Sec-
24 retary deems necessary.

1 (2) OFFSHORE PATROL CUTTER.—When an ac-
2 quisition program baseline is completed for the off-
3 shore patrol cutter following an alternatives analysis
4 for that asset class, the acquisition program baseline
5 shall include a detailed statement of the service life,
6 fatigue life, maximum range, maximum speed, and
7 number of days underway under general Atlantic
8 and North Pacific Sea conditions the cutter will be
9 built to achieve. The offshore patrol cutter’s acquisi-
10 tion program baseline shall be completed and trans-
11 mitted to each of the appropriate congressional com-
12 mittees not less than 90 days before the Secretary
13 issues a request for proposals for construction of an
14 offshore patrol cutter.

15 **SEC. 9. REPORTS.**

16 (a) ANNUAL REPORT.—

17 (1) IN GENERAL.—Within 45 days after the
18 end of each fiscal year, the Secretary shall submit
19 a comprehensive annual report on the progress of
20 the Integrated Deepwater Program to the appro-
21 priate congressional committees.

22 (2) SCOPE.—At a minimum, the report shall in-
23 clude—

24 (A) an outline and description of all
25 changes to the Integrated Deepwater Program’s

1 project management plan during the previous
2 fiscal year;

3 (B) an outline and description of all
4 changes to acquisition plans and acquisition
5 program baselines for all Integrated Deepwater
6 Program asset acquisitions during the previous
7 fiscal year, including all updates to life cycle
8 cost estimates, acquisition cost estimates,
9 schedule changes, and changes in asset per-
10 formance requirements;

11 (C) a summary of findings of all alter-
12 natives analyses completed or revised during the
13 previous fiscal year under the Integrated Deep-
14 water Program;

15 (D) an updated development schedule for
16 each asset and asset class, including estimated
17 annual costs until development is completed;

18 (E) an updated acquisition schedule for
19 each asset and asset class, including estimated
20 annual costs and units to be procured until ac-
21 quisition is completed;

22 (F) an updated projection of the remaining
23 operational lifespan of each legacy asset and
24 projected costs for sustaining such assets;

1 (G) a breakdown of the percentage of the
2 total amount of funds expended on acquisitions
3 under the Integrated Deepwater Program dur-
4 ing the previous fiscal year that has been paid
5 to each of small businesses, socially and eco-
6 nomically disadvantaged small business con-
7 cerns eligible for assistance under section 8(a)
8 of the Small Business Act (15 U.S.C. 637(a)),
9 minority-owned businesses, women-owned busi-
10 nesses, and service disabled veteran-owned busi-
11 nesses;

12 (H) information on the status of agree-
13 ments and progress of other arrangements with
14 the Department of Defense for support in con-
15 tracting and management of acquisitions under
16 the Integrated Deepwater Program required by
17 section 10 of this Act and the updated project
18 management plan as required by section 8(a) of
19 this Act;

20 (I) an update on the Secretary's progress
21 in meeting goals for the development of the ac-
22 quisition program described in the Blueprint for
23 Acquisition Reform, and required by this Act,
24 including staffing levels and professional devel-
25 opment;

1 (J) a financial accounting of the Inte-
2 grated Deepwater Program as of the end of the
3 fiscal year, which shall include a balance sheet,
4 statement of net cost, statement of changes in
5 net position, and statement of budgetary re-
6 sources of the Program;

7 (K) an update on the status of efforts to
8 enhance the role of Coast Guard program man-
9 agers in developing and carrying out acquisi-
10 tions programs and efforts to promote a bal-
11 anced workforce in which women and members
12 of racial and ethnic minority groups are appro-
13 priately represented in Government service; and

14 (L) such additional information as the Sec-
15 retary deems necessary for updating Congress
16 on the progress of the Integrated Deepwater
17 Program.

18 (b) COST OVERRUNS AND DELAYS.—

19 (1) IN GENERAL.—The Secretary shall submit
20 a report to the appropriate congressional committees
21 as soon as possible, but not later than 30 days, after
22 the Deepwater Program Executive Officer becomes
23 aware of the breach of an acquisition program base-
24 line under the Integrated Deepwater Program by—

1 (A) a likely cost overrun greater than 8
2 percent of the acquisition program baseline
3 total acquisition cost for that individual asset or
4 a class of assets;

5 (B) a likely delay of more than 180 days
6 in the delivery schedule for any individual asset
7 or class of assets; or

8 (C) an anticipated failure for any indi-
9 vidual asset or class of assets to satisfy any key
10 performance threshold or parameter under the
11 Integrated Deepwater Program acquisition pro-
12 gram baseline.

13 (2) CONTENT.—The report submitted under
14 paragraph (1) shall include

15 (A) a detailed description of the breach
16 and an explanation of its cause;

17 (B) the projected impact to cost, schedule
18 and performance;

19 (C) an updated total acquisition cost and
20 the complete history of changes to the original
21 cost estimate described in the plan submitted
22 under section 8(e);

23 (D) the updated acquisition schedule and
24 the complete history of changes to the original

1 schedule described in the plan submitted under
2 section 8(e);

3 (E) a full life-cycle cost analysis for the
4 asset or class of assets;

5 (F) a remediation plan identifying correc-
6 tive actions and any resulting issues or risks;
7 and

8 (G) a description of how progress in the
9 remediation plan will be measured and mon-
10 itored.

11 (3) SUBSTANTIAL VARIANCES IN COSTS OR
12 SCHEDULE.—If a likely cost overrun is greater than
13 20 percent or a likely delay is greater than 12
14 months from the schedule and costs described in the
15 acquisition program baseline total acquisition cost
16 for that individual asset or class of assets, the Sec-
17 retary shall include in the report a written certifi-
18 cation, with a supporting explanation, that—

19 (A) the asset or asset class is essential to
20 the accomplishment of Coast Guard missions;

21 (B) there are no alternatives to such asset
22 or asset class which will provide equal or great-
23 er capability in both a more cost-effective and
24 timely manner;

1 (C) the new acquisition schedule and esti-
2 mates for total acquisition cost are reasonable;
3 and

4 (D) the management structure for the ac-
5 quisition program is adequate to manage and
6 control costs, schedule, and performance.

7 (4) CERTIFIED ASSETS AND ASSET CLASSES.—
8 If the Secretary certifies an asset or asset class
9 under paragraph (3), the requirements of this sub-
10 section shall be met based on the new estimates of
11 cost and schedule contained in that certification.

12 (c) REPORT ON INTEGRATED DEEPWATER PROGRAM
13 C4ISR.—

14 (1) INDEPENDENT ASSESSMENT.—Not later
15 than 3 months after the date of enactment of this
16 Act, the Secretary shall enter into an arrangement
17 with the National Research Council of the National
18 Academy of Sciences to conduct a study to assess
19 the Coast Guard's Integrated Deepwater Program
20 C4ISR systems and acquisition plans. This study
21 shall include an examination of—

22 (A) the Coast Guard's current and planned
23 Integrated Deepwater Program C4ISR capabili-
24 ties and architecture;

1 (B) the adequacy of the Integrated Deep-
2 water Program C4ISR acquisition's Informa-
3 tion Technology requirements;

4 (C) whether the planned Integrated Deep-
5 water Program C4ISR systems are sufficiently
6 adaptable to meet the needs of the Coast
7 Guard's mission requirements;

8 (D) whether the planned Integrated Deep-
9 water Program C4ISR systems facilitate future
10 upgrades as C4ISR technology advances; and

11 (E) the adequacy of the Coast Guard's or-
12 ganizational, personnel, and training systems
13 for acquiring, utilizing, and sustaining Inte-
14 grated Deepwater Program C4ISR systems.

15 (d) PATROL BOAT REPORT.—Not later than 120
16 days after the date of enactment of this Act, the Secretary
17 shall submit to the appropriate congressional committees
18 a report on how the Coast Guard plans to manage the
19 annual readiness gap of lost time for 110-foot patrol boats
20 from fiscal year 2009 through fiscal year 2015. The report
21 shall include—

22 (1) a description of the mission performance
23 gap detailing the geographic regions and Coast
24 Guard capabilities affected;

1 (2) a summary of the patrol hours that will be
2 lost due to delays in replacing the 110-foot cutters
3 and lost capabilities of the 110-foot cutters that
4 have been converted;

5 (3) an analysis of factors affecting the mission
6 performance gap that are unrelated to the Inte-
7 grated Deepwater Program, including deployment of
8 Coast Guard assets overseas and continuous vessel
9 shortages;

10 (4) an identification of assets that are being
11 used or may be used to alleviate the annual readi-
12 ness gap of lost time for such patrol boats, including
13 any acquisition or lease considered and the reasons
14 they were not pursued;

15 (5) in cases where Coast Guard assets are used
16 more heavily to alleviate the readiness gap, an as-
17 sessment of the estimated additional maintenance
18 costs incurred and asset lifespan lost due to the in-
19 creased use of such assets;

20 (6) a projection of the remaining operational
21 lifespan of the 110-foot patrol boat fleet;

22 (7) a description of how extending through fis-
23 cal year 2015 the transfer agreement between the
24 Coast Guard and the United States Navy for 3 Cy-
25 clone class 179-foot patrol coastal ships would affect

1 the annual readiness gap of lost time for 110-foot
2 patrol boats; and

3 (8) an estimate of the cost to extend the oper-
4 ational lifespan of the 110-foot patrol boat fleet for
5 each of fiscal years 2008 through 2015.

6 (e) ACQUISITIONS WORKFORCE REPORT.—Within 4
7 months after the date of enactment of this Act, the Sec-
8 retary shall report on the development of the acquisitions
9 office within the Coast Guard, describing the specific
10 staffing structure for that directorate, including—

11 (1) identification of all acquisitions positions
12 proposed as part of the office, the functions that
13 each managerial position will fill, and the number of
14 employees each manager will supervise; and

15 (2) a formal organizational chart and identifica-
16 tion of when managerial positions are to be filled.

17 (f) ELEVATION OF DISPUTES TO THE CHIEF ACQUI-
18 SITION OFFICER.—Within 30 days after the elevation to
19 the Chief Acquisition Officer of any design or other dis-
20 pute regarding the Integrated Deepwater Program con-
21 tract or an item to be acquired under that contract, the
22 Secretary shall provide to the appropriate congressional
23 committees a detailed description of the issue and the ra-
24 tionale underlying the decision taken by the Chief Acquisi-
25 tion Officer to resolve the issue.

1 (g) AMENDMENT OF 2006 ACT.—Section 408(a) of
2 the Coast Guard and Maritime Transportation Act of
3 2006 is amended—

4 (1) by striking paragraphs (1) and (3); and

5 (2) by redesignating paragraphs (2) and (4)
6 through (8) as paragraphs (1) through (6), respec-
7 tively.

8 **SEC. 10. DEPARTMENT OF DEFENSE CONSULTATION.**

9 (a) IN GENERAL.—The Secretary shall make ar-
10 rangements as appropriate with the Secretary of Defense
11 for support in contracting and management of acquisitions
12 under the Integrated Deepwater Program. The Coast
13 Guard shall also seek opportunities to leverage off of De-
14 partment of Defense contracts, and contracts of other ap-
15 propriate agencies, to obtain the best possible price for
16 Integrated Deepwater Program assets.

17 (b) INTER-SERVICE TECHNICAL ASSISTANCE.—The
18 Secretary may enter into a memorandum of understanding
19 or a memorandum of agreement with the Secretary of the
20 Navy to obtain the assistance of the Office of the Assistant
21 Secretary of the Navy for Research, Development, and Ac-
22 quisition, including the Navy Systems Commands, with
23 the oversight of Coast Guard major acquisition programs.
24 Such memorandum of understanding or memorandum of
25 agreement shall, at a minimum, provide for—

1 (1) the exchange of technical assistance and
2 support that the Coast Guard Chief Acquisition Offi-
3 cer, Coast Guard Chief Engineer, and the Coast
4 Guard Chief Information Officer may identify;

5 (2) the use, as appropriate, of Navy technical
6 expertise; and

7 (3) the temporary assignment or exchange of
8 personnel between the Coast Guard and the Office
9 of the Assistant Secretary of the Navy for Research,
10 Development, and Acquisition, including Naval Sys-
11 tems Commands, to facilitate the development of or-
12 ganic capabilities in the Coast Guard.

13 (c) TECHNICAL AUTHORITIES.—The technical au-
14 thority established under section 6(b) shall adopt, to the
15 extent practicable, procedures that are similar to those
16 used by the Navy Senior Acquisition Official to approve
17 all technical requirements.

18 (d) ASSESSMENT.—Within 180 days after the date
19 of enactment of this Act, the Comptroller General shall
20 transmit a report to the appropriate congressional com-
21 mittees that—

22 (1) contains an assessment of current Coast
23 Guard acquisition and management capabilities to
24 manage acquisitions under or in support of the Inte-
25 grated Deepwater Program;

1 (2) includes recommendations as to how the
2 Coast Guard can improve its acquisition manage-
3 ment, either through internal reforms or by seeking
4 acquisition expertise from the Department of De-
5 fense; and

6 (3) addresses specifically the question of wheth-
7 er the Coast Guard can better leverage Department
8 of Defense or other agencies' contracts that would
9 meet the needs of the Integrated Deepwater Pro-
10 gram in order to obtain the best possible price.

11 **SEC. 11. DEFINITIONS.**

12 In this Act, the following definitions apply:

13 (1) APPROPRIATE CONGRESSIONAL COMMIT-
14 TEES.—The term “appropriate congressional com-
15 mittees” means the Committees on Transportation
16 and Infrastructure and Homeland Security of the
17 House of Representatives and the Committee on
18 Commerce, Science, and Transportation of the Sen-
19 ate.

20 (2) INTEGRATED DEEPWATER PROGRAM.—The
21 term “Integrated Deepwater Program” means the
22 Integrated Deepwater Systems Program described
23 by the Coast Guard in its Report to Congress on Re-
24 vised Deepwater Implementation Plan, dated March
25 25, 2005, including any subsequent modifications,

1 revisions, or restatements of the Program. The Inte-
2 grated Deepwater Program includes the procure-
3 ment, development, production, sustainment, modi-
4 fication, conversion, and missionization of C4ISR
5 and of cutter and aviation assets that operate more
6 than 50 miles offshore.

7 (3) LIFE-CYCLE COST.—The term “life-cycle
8 cost” means all costs for development, procurement,
9 construction, and operations and support for a par-
10 ticular asset, without regard to funding source or
11 management control.

12 (4) SECRETARY.—The term “Secretary” means
13 the Secretary of the department in which the Coast
14 Guard is operating.

○